Integrated Health Care Delivery
Senate File 296

As amended by S-3210
(House amendment – Healthy Iowa Plan)
(Strike everything after the enacting clause)

Last Action:

House Floor

April 30, 2013

Executive Summary Only

Title as passed by the Senate:

An Act relating to integrated care models for the delivery of health care, including but not limited to required utilization of a medical home by individuals currently and newly eligible for coverage under the Medicaid program and including effective date provisions.

Title as amended by S-3210 (House amendment):

An Act relating to health care by establishing the healthy iowa plan, affecting medical malpractice actions, making appropriations, providing remedies, and including effective date provisions.

Fiscal Services Division
Legislative Services Agency

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at http://www.legis.iowa.gov/LSAReports/noba.aspx

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EXECUTIVE SUMMARY
Integrated Health Care Delivery

S-3210

Senate File 296 amends Iowa Code sections relating to medical homes to promote an integrated health care delivery model. A medical home means a team approach to providing health care that originates in a primary care setting. This Bill requires the Department of Human Services (DHS) to collaborate with the Department of Public Health (DPH) in administering medical homes under the Medicaid Program. In addition, this Bill requires the DPH to establish requirements for the medical home system to provide linkages to accessible dental homes for adults and older individuals.

FISCAL NOTE: To view the fiscal note for SF 296 as passed by the Senate see: https://www.legis.iowa.gov/DOCS/FiscalNotes/85_1441SVv0_FN.pdf

House Amendment – S-3210 creates the Healthy Iowa Plan, if approved by a federal 1115 Demonstration Waiver, to replace the Iowa Care Program that expires on December 31, 2013. Amendment S-3210 specifies the Plan is only to be implemented to the extent that federal matching funds are available for nonfederal expenditures. In addition, enrollment in the Healthy Iowa Plan may be closed, limited, or reduced and the scope and duration of services may be limited, reduced, or terminated if State or federal funds are not available. Benefits are limited to the funds appropriated or distributed for the Plan.

The Plan provides coverage for individuals 19 to 64 years of age with incomes at or less than 100.0% of the federal poverty level. Individuals must meet all criteria including income, citizenship or other legal status, and financial participation conditions. Individuals are not eligible for the Plan if they qualify for Medicaid or if they have access to affordable employer-sponsored coverage.

The benefits package of the Plan is required to match the benefit package for State employees, adjusted as necessary to meet federal requirements, including the addition of habilitation services. All members on the Plan will have a primary medical provider in their region. The Department of Human Services is required to develop a regional provider network that includes all providers enrolled in the Medicaid Program and participating in Accountable Care Organizations (ACO). Amendment S-3210 also provides guidelines for ACOs including contracting, access, reimbursement, and member choice.

Enrollees in the Plan are required to make a monthly contribution and cost-sharing within the limitations of the Affordable Care Act (ACA). Copayments are only required for nonemergency use of a hospital emergency department. Members are required to pay their monthly contributions within sixty days or are subject to disenrollment from the plan and are not eligible to reapply for 12 months. A member may request a hardship exemption if they are unable to make a monthly payment.

The Plan establishes a Healthy Rewards Account for each member to collect all member contributions and incentive payments for the completion of preventive tasks. Monies in the account are to be used to improve the health of the member as specified by rule based on best practices. Members may forfeit the funds in the Account if they exhibit a pattern of inappropriate emergency department use. The Amendment provides guidelines for funds remaining in the Account at the end of the fiscal year.

Amendment S-3210 provides funding provisions including the Broadlawns property tax levy, 37.84% of county mental health property tax levies, the University of Iowa Hospitals and Clinics (UIHC) Certified Public Expenditures (CPE) match, a transfer from Medicaid, and a General Fund appropriation. All revenues are to be deposited in the newly created Healthy Iowa Account. Funding is summarized in in the fiscal impact section of this document.

The DHS may adopt emergency rules to implement the Plan as necessary and the Department may utilize a sole-source approach to administer the Healthy Iowa Plan.

The Division relating to the Healthy Iowa Plan is effective upon enactment.

FUNDING SUMMARY AND FISCAL IMPACT

The Healthy Iowa Plan will be implemented on January 1, 2014. It is estimated that the Plan will cover a total of 89,000 individuals with incomes at or below 100.0% of the federal poverty level when fully implemented. Amendment S-3210 appropriates $23.0 million from the General Fund and provides a $35.5 million transfer from the Medicaid Program for FY 2014. In addition, S-3210 requires collection of $21.0 million in Broadlawns Property tax revenues, $21.8 million in county mental health revenues, and up to $12.6 million in UIHC CPE State match in FY 2014. It is assumed that the CPE contribution from the UIHC will be half of the maximum allowed for FY 2014.

For FY 2015, all other fund revenue will be doubled due to a full year of property tax collection for a total of $98.1 million available in the Account. The Plan does have provisions that can limit enrollment and services to stay within a funding amount. However, the Center for Medicare and Medicaid Services (CMS has indicated they do not anticipate authorizing enrollment caps or similar policies through federal demonstration waivers for the new adult group or similar populations.

The fiscal impact of SF 296 as amended by S-3210 is illustrated in the following table:

State Funds	**FY 2014**	**FY 2015**
General Fund	$ 23,000,000	$ 23,000,000
Medicaid Transfer	35,500,000	35,500,000
Total State Funds	**$ 58,500,000**	**$ 58,500,000**
Other Funds		
Broadlawns Hospital Levy	$ 21,000,000	$ 42,000,000
U of I Certified Public Expenditures	6,310,500	12,621,000
Counties Mental Health Levy - 37.84%	21,751,471	43,502,942
Total Other Funds	**$ 49,061,971**	**$ 98,123,942**
Total Healthy Iowa Plan Nonfederal Funds	**$ 107,561,971**	**$ 156,623,942**
Estimated Federal Matching Funds	**$ 148,111,839**	**$ 209,405,369**
Total All Funds	**$ 255,673,810**	**$ 366,029,311**

Division II of S-3210 makes changes to medical malpractice, including changes to the expert witness testimony standards and creates Malpractice Review Panels to review any action for personal injury or wrongful death against a health care provider. The amendment specifies members of the panel, compensation, and the process for handling the reviews. There is a $250 filing fee paid by each party, unless indigent, to the Clerk of the District Court.

Fiscal Impact: Division II of S-3210 will have a minimal fiscal impact.